



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

February 6, 2009

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From: William T Fujioka  
Chief Executive Officer

## WASHINGTON, D.C. UPDATE

### State Children's Health Insurance Program Reauthorization

On February 4, 2009, President Obama signed into law the Children's Health Insurance Program Reauthorization Act of 2009 (H.R. 2), which reauthorizes the State Children's Health Insurance Program (SCHIP) through Federal Fiscal Year (FFY) 2013. The bill, which is similar to legislation vetoed twice by President Bush, increases SCHIP funding by \$32.8 billion through FFY 2013 by increasing the Federal cigarette tax by 62 cents per pack. The Congressional Research Service estimates that California's FFY 2009 SCHIP allotment will increase from \$799.2 million to \$1,481.2 million -- an increase of \$682 million.

The bill's major provisions include the following:

- Reduces the time limit for states to spend their annual SCHIP allotments from three years to two years before unspent funds are reallocated to states, which spent their entire allotments;
- Allows states to receive the higher SCHIP Federal match rate (65 percent for California) in covering children in families with incomes up to 300 percent of the Federal poverty level (FPL). The regular Medicaid match rate would be available to cover children over 300 percent of the FPL;
- Prohibits new waivers to cover parents and childless adults using SCHIP funds;

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- Requires dental benefits and mental health parity in SCHIP;
- Provides presumptive eligibility for children in which they would be covered pending final determination of eligibility;
- Streamlines the SCHIP application and enrollee renewal processes;
- Prohibits the use of SCHIP funds for serving undocumented immigrants, but gives states the option to provide SCHIP and Medicaid benefits to legal immigrant children and pregnant women who have been in the country for less than five years; and
- Applies Medicaid citizenship documentation requirements to SCHIP eligibility, and gives states the option of using an applicant's Social Security number to verify their identity and citizenship with the Social Security Administration.

The State of California has been providing fully State-funded Healthy Families and Medi-Cal benefits to legal immigrant children and pregnant women during their first five years in the U.S. Under the bill, 65 percent of such Healthy Families costs and at least 50 percent of Medi-Cal costs would be reimbursable by Federal funds, thereby, reducing State General Fund costs. However, the current State Budget deficit will make it difficult for the State to provide sufficient matching funds to receive its entire annual SCHIP allotment. California will need to increase its State match by \$367.2 million to draw down its entire \$682 million in increased FFY 2009 SCHIP allotment.

### **Digital Television Transition**

On February 4, 2009, the House passed, 264 to 158, S. 352, the Digital Television (DTV) Delay Act, which delays the current February 17, 2009 deadline for the transition from analog to DTV until June 12, 2009. The bill now goes to the President, who is expected to sign it into law. The Senate passed S. 328 by unanimous consent on January 29, 2009. The bill delays the deadline for DTV transition, but allows individual television stations to cease analog broadcasting before June 12, 2009. It also allows public safety agencies to use spectrum which becomes available as a result of voluntary cessation of broadcasting. The transition to DTV is being delayed because an estimated 6.5 million households do not have converter boxes needed to receive DTV signals, and more than three million consumers are on the waiting list for government coupons, which subsidize the purchase of converter boxes.

We will continue to keep you advised.

WTF:GK  
MAL:MT:sb

c: All Department Heads  
Legislative Strategist